

OFFSHORE & THE MEGA-RICH

Bankrupt Swedish Tycoon Had Fortune Stashed in South Pacific

Real estate mogul Hans Thulin built offshore maze as Swedish government and other creditors pursued him, secret records show.

By [Leif Holmkvist](#) and [Fredrik Laurin](#)

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STOCKHOLM — Bankrupt Swedish real estate tycoon Hans Thulin had as much as \$17 million sheltered offshore at a time when the Swedish government was pursuing him in court for millions of dollars in unpaid debts, according to secret records obtained by the International Consortium of Investigative Journalists and reviewed by *Fokus*, Sweden’s leading newsmagazine.

The records confirm that Thulin built a tangle of companies, trusts, funds and accounts in the South Pacific, far away from tax authorities and creditors in Sweden.

The documents don’t show the original source of the \$17 million or how long the money was sheltered within his offshore network. But they do provide evidence that Thulin had a fortune held abroad in late 2008 as the Swedish government struggled to recover money from him.

Details of Thulin’s offshore holdings are big news in Sweden because he has been one of the Swedish state’s largest debtors — and because he’s well-remembered in his native country as a lavish collector of art and luxury cars and a symbol of the high-flying, easy-credit ’80s. It was the fall of his commercial property empire that helped signal the beginning of Sweden’s 1990 real estate meltdown.

A government-owned company that had taken over bad debts owed by Thulin sued him in 2007, seeking to force him to repay business loans he’d defaulted on. A trial court imposed a judgment of 150 million Swedish crowns against him in 2009.

By early 2013, the total debt and interest Thulin owed the government had grown to 179 million crowns (\$28 million).

When a reporter for *Fokus* checked in January with Svensk Exportkredit, a government-owned firm that had taken responsibility for collecting from Thulin, the company confirmed the debt was still outstanding.

Then, days after the inquiry from *Fokus*, Svensk Exportkredit withdrew the claim against Thulin. His debt to the government had been wiped away.

A spokesperson for Svensk Exportkredit declined to give an explanation. It is unclear whether Thulin had paid all or part of what he owed or the government had simply given up its efforts to collect. It is also unclear whether *Fokus*’ inquiries had anything to do with the turn of events.

Thulin did not respond to repeated requests for comment for this story, including questions about the money that moved through his offshore entities and about the sudden end to the Swedish state’s financial claims against him.

In previous media interviews, he has denied wrongdoing.

Lavish life

Thulin, the son of a small businessman, started his own business career early, first running discos and then moving into real estate.

After he graduated from business school in the 1980s he began making real estate deals at a frenzied pace. He specialized in buying commercial properties with good locations in small and medium-sized cities. He bought them cheaply, refurbished them, then raised the rents, evicting shopkeepers who couldn’t afford the new prices.

He snapped up commercial centers in about twenty cities through his companies Consolidator and Granaten (“The Grenade”). His empire grew to include a network of more than 100 companies.

The 1985 deregulation of Sweden’s banking industry made it easy for Thulin to borrow copiously, using his commercial properties, his companies and personal guarantees as collateral.

As money poured in, he built a collection of ultra-luxury cars, including the world’s most expensive automobile, a Bugatti Royale that he bought for \$9.7 million in 1987 and sold for \$15.7 million three years later. His art collection included, for a while, Jasper Johns’ *White Flag*, for which he paid \$7 million in 1988, at the time the highest price ever paid for a work by a living artist.

The beginning of the end of Thulin’s success came in 1989, when Sweden scrapped its credit deregulation experiment. That year Thulin immigrated to Belgium and began buying properties abroad, including the 26-story Blue Tower in Brussels. Back in Sweden, Thulin’s group of companies began to falter.

In the spring of 1990 Thulin’s company Consolidator was unable to pay a 650-million-crown debt to Nyckeln, a major finance company. By the fall of 1990 Nyckeln went bust, soon followed by a series of other finance firms and banks. Thulin wasn’t to blame for the banking crash, but his company had been the first domino to fall.

Both of Thulin’s real estate companies, Granaten and Consolidator, filed for bankruptcy with unpaid debts totaling 3 billion crowns. Thulin, who’d made 800 million crowns in personal guarantees, declared personal bankruptcy.

After negotiations with foreign companies controlled by Thulin, bankruptcy court trustees managed to bring much of the money home.

Four claims from creditors remained unresolved, however, when the bankruptcies were finished in 1997.

Swedish law normally bars a claim after ten years, but Thulin’s remaining creditors won a ruling allowing them to continue their efforts to collect.

Over the years, as he fought court battles and fended off creditors, Thulin lived a wandering life, relocating to Seattle for a time and trying his hand at various business deals. In more recent years his official address has been in Belgium, but he has lived mainly in Stockholm.

South Pacific empire

In 2005, with his remaining creditors still pressing him for payment of his old debts, Thulin began assembling his offshore network with help of the Cook Islands branch of one of Asia’s largest offshore services firms, Singapore-headquartered [Portcullis TrustNet](#).

He founded two offshore entities, The Northern Trust and The Southern Trust. The trusts in turn established a number of companies, all registered in the Cook Islands.

A bank account at ANZ Bank in the Cooks was linked to his offshore network. Some of the money deposited in that account was used for [real estate deals in Brazil](#) and Spain, with transfers of cash frequently routed through accounts in BSI Bank in Switzerland.

The records also suggest that his offshore network helped bankroll one of the Thulin’s longstanding hobbies — the acquisition of high-end cars.

In late 2007, a lawyer in Geneva emailed a TrustNet representative in the Cook Islands, asking her [to transfer more than \\$100,000](#) from an offshore company linked to Thulin so it could be routed through BSI bank in Zurich to a Bentley dealer in Stockholm.

Thulin’s business partner Olof Setterberg started two trusts and several companies on the Cook Islands during the same period Thulin was building his offshore structures. Their business plans were so intertwined that in early 2009 managers at TrustNet [were not completely confident](#) about who really had the right to represent the companies.

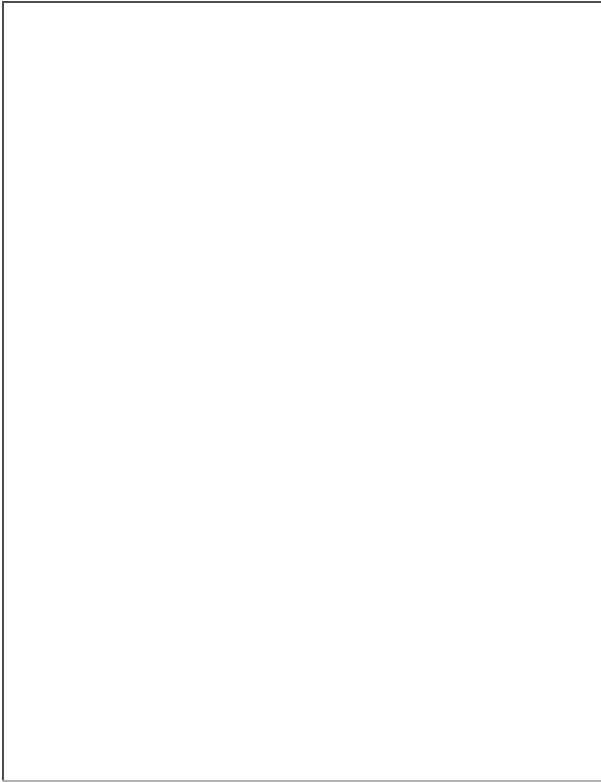
The secret records reviewed by *Fokus* do not include extensive information about bank accounts attached to Thulin’s offshore entities, so they don’t indicate exactly how much money was in the accounts, where it came from or how long it stayed.

The records do show that in late 2008 employees at TrustNet, the offshore services firm, arranged to transfer some \$17 million from the ANZ account to a Swiss account.

The money was to go to an account at BSI bank in Lugano, Switzerland, records show.

According to the documents, the account in Switzerland belonged to Northern Holdings Limited, a Cook Islands-based entity. Northern Holdings’ shareholder was listed as “Fidelitycorp Limited as trustee of The Northern Trust,” the entity for which Thulin was listed as “trust settlor,” or founder.

The transfer came less than a year after a company owned by the Swedish government sued Thulin in a court in Stockholm. The court ruled against Thulin in May 2009, awarding the government 150 million crowns. Sweden’s Supreme Court rejected Thulin’s appeal in October 2011.



Fallout

The state of Thulin’s offshore empire today isn’t clear.

Records reviewed by *Fokus* extend only through the beginning of 2009. The documents suggest Hans Thulin was behind the two trusts and related companies until at least late 2008.

When *Fokus* asked his former business partner, Setterberg, about his ties to Thulin, Setterberg was hesitant to go into detail.

“We had a lot of business together,” Setterberg said, but indicated they are no longer business partners.

Hans Thulin has now been officially relocated for more than two decades, but he continues to spend considerable time in Stockholm, appearing every now and then, tanned and slightly grizzled, at one of the city’s better restaurants. He sometimes walks along Strandvägen (“the coastal road”) on the way to see his son, who lives in one of the country’s most expensive addresses with a view looking down on the island of Djurgården.

Since *Fokus* first published details of Thulin’s offshore holdings April 12, Sweden’s two biggest TV news programs and a host of Swedish newspapers and news agencies have jumped on the story.

Despite the media groundswell, the Swedish government has stayed silent about whether it had reached an agreement with Thulin. A representative of Sweden’s Ministry of Finance responded to questions with a terse “No comment.”

A confidential source told *Fokus* that Thulin had in fact reached a deal with the government, but didn’t provide details about when and how much.

The magazine also tried again to reach Thulin for comment. He didn’t respond.

Leif Holmkvist is freelance journalist in Stockholm who specializes in writing about media and politics. Fredrik Laurin provided research and Michell Grönlund provided translation assistance.

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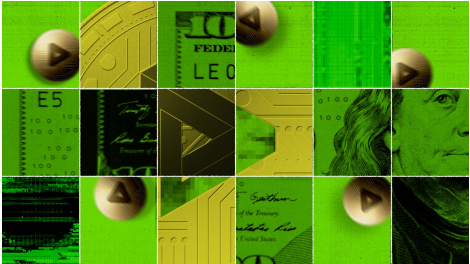
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